



At the Autumn Statement the Chancellor reconfirmed his commitment to Tax-Free Childcare where he set out that it will be introduced in early 2017 following a trial of the childcare service for Tax-Free Childcare. It will be rolled out on an age-based approach, allowing parents of the youngest children to enter the scheme first.

The Tax-Free Childcare scheme will see the Government subsidising 20% of childcare costs up to a total of £10,000 - the equivalent of up to £2,000 support per child, per year. So for every 80p a parent or someone else pays in, the government will top up an extra 20p. A childcare costs calculator has been developed which allows parents to compare all childcare support available. At the end of the calculation process, parents also have the option to register their interest and receive updates on Tax-Free Childcare.

The link to the calculator is - <https://www.gov.uk/help-with-childcare-costs>

The trial of the childcare service for Tax-Free Childcare is being run by HMRC who have recruited parents from across the country to participate in it. They've started with a small number of parents and will then gradually invite in more parents, enabling them to carefully manage the deployment of the new service. They intend to use the trial to test and identify improvements ahead of the public rollout later this year.

In addition to this the Tax-Free Childcare Team have now begun the programme to get all registered childcare providers signed up to accept payments from parents via the new scheme. We understand that this is being done by registration body and all Ofsted registered childcare providers were contacted in October.

Parents can continue to join the current Childcare Voucher scheme until April 2018 which will help support the transition between the two schemes. After April 2018 the current Childcare Voucher scheme will be closed to new joiners but those parents who wish to remain in the scheme will be able to do so. If you're thinking about relaunching your existing scheme to help those parents who are not currently benefiting from the scheme, please get in touch as we are more than happy to assist you with this by supplying marketing material.

We'll continue to keep you updated as and when we receive further information from the Tax-Free Childcare Team but if you have any questions in the meantime, please do not hesitate to contact us.

Kind Regards,

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